

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

March 16, 1968

MEMORANDUM FOR MR. W. W. ROSTOW

SUBJECT: Possible Soviet Economic Warfare Against Czechoslovakia or Romania

We are not at the point of any action or decision yet. However, I have been wondering -- as I know you have -- whether the day may come when we have to think about countering Soviet economic warfare against Romania, Czechoslovakia or some other Eastern European country. In this connection you might be interested in reading the marked portion of the attached [redacted]

I wonder if we should not suggest to State that they form a working group to do some contingency planning. The group might consider questions along the following lines:

(1) How much of a nutcracker do the Soviets have at this point? Exactly how and in what sectors would they crack down? How vulnerable are Romania, Czechoslovakia, etc.?

(2) What could we do to counter Soviet moves? What measures could we take without legislation? What might our NATO allies do with our assistance and encouragement? What sort of package should we present to the Congress if and when appropriate?

(3) Assuming that Soviet threats and the Eastern European psychology of vulnerability may be more important than the actual initiation of economic warfare, what could we do to shore up Eastern European confidence and courage? (We might end up with less need actually to extend aid than to do a kind of economic belly dance.)

Would you think S/P is the best place to do this -- with help from EE, INR and CIA? Is this something -- assuming you think it is worth doing -- you would like to talk to Nick Katzenbach or Henry Owen about, or would you like me to pursue it?

~~NO~~ 8
Pursue S.
Let me know
if you need
help.
Maxine
help denied
to write
to European
Good
NATO
E.W.

Talk
J.E.F.

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Nathaniel Davis

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